

TRANSPORTATION AND ECONOMIC GROWTH

Today's culture of business demands that an area have well-maintained and efficient roads, highways and bridges if it is to remain economically competitive. Global communications and the impact of free trade in North America and elsewhere have resulted in a significant increase in freight movement, making the quality of a region's transportation system a key component in a business's ability to compete locally, nationally and internationally.

Businesses have responded to improved communications and the need to cut costs with a variety of innovations including just-in-time delivery, increased small package delivery, demand-side inventory management and e-commerce. The result of these changes has been a significant improvement in logistics efficiency as firms move from a push-style distribution system, which relies on large-scale warehousing of materials, to a pull-style distribution system, which relies on smaller, more strategic movement of goods. These improvements have made mobile inventories the norm, resulting in the nation's trucks literally becoming rolling warehouses.

Highways are vitally important to continued economic development in New Hampshire. As the economy expands, creating more jobs and increasing consumer confidence, the demand for consumer and business products grows. In turn, manufacturers ship greater quantities of goods to market to meet this demand, a process that adds to truck traffic on the state's highways and major arterial roads.

The ability of the nation's freight transportation system to efficiently and safely accommodate the growing demand for freight movement could be hampered by inadequate transportation capacity, a lack of adequate safety features on some transportation facilities, institutional barriers to enhancing the nation's freight facilities, a lack of adequate funding for needed improvements to the freight network and a shortage of drivers.

The need to improve the U.S. freight network is occurring at a time when the nation's freight delivery system is being transformed by advances in vehicle autonomy, manufacturing, warehousing and supply chain automation, increasing e-commerce, and the growing logistic networks being developed by Amazon and other retail organizations in response to the demand for a faster and more responsive delivery and logistics cycle.

Every year, \$93 billion in goods are shipped to and from sites in New Hampshire.ⁱ The value of freight shipped to and from sites in New Hampshire, in inflation-adjusted dollars, is expected to increase 94 percent by 2045 and by 74 percent for goods shipped by trucks.ⁱⁱ

Investments in transportation improvements in New Hampshire play a critical role in the state's economy. A [report](#) by the American Road & Transportation Builders Association found that the design, construction and maintenance of transportation infrastructure supports the equivalent of approximately 18,000 full-time jobs across all sectors of the state economy, earning these workers approximately \$755 million annually.ⁱⁱⁱ These jobs include approximately 9,000 full-time jobs directly involved in transportation infrastructure construction and related activities. Spending by employees and companies in the transportation design and construction industry supports an additional 9,000 full-time jobs in New Hampshire.^{iv} Transportation construction in New Hampshire contributes an estimated \$138 million annually in state and local income, corporate and unemployment insurance taxes and the federal payroll tax.^v

Approximately 320,000 full-time jobs in New Hampshire in key industries like tourism, retail sales, agriculture and manufacturing are dependent on the quality, safety and reliability of the state's transportation infrastructure network. These workers earn \$13.3 billion in wages and contribute an estimated \$2.4 billion in state and local income, corporate and unemployment insurance taxes and the federal payroll tax.^{vi}

Local, regional and state economic performance is improved when a region's surface transportation system is expanded or repaired. This improvement comes as a result of the initial job creation and increased employment created over the long-term because of improved access, reduced transport costs and improved safety.

Increasingly, companies are looking at the quality of a region's transportation system when deciding where to re-locate or expand. Regions with congested or poorly maintained roads may see businesses relocate to areas with a smoother, more efficient and more modern transportation system. Highway access has a significant impact on the competitiveness of a region's economy. Not surprisingly, highway accessibility was ranked the number two site selection factor in the 2021 [survey](#) of corporate executives by Area Development Magazine, behind only skilled labor.^{vii}

ⁱ TRIP analysis of Bureau of Transportation Statistics, U.S. Department of Transportation Freight Analysis Framework. Data is for 2017. https://ops.fhwa.dot.gov/freight/freight_analysis/faf/

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ⁱⁱⁱ American Road & Transportation Builders Association (2015). The 2015 U.S. Transportation Construction Industry Profile. https://www.transportationcreatesjobs.org/pdf/Economic_Profile.pdf

^{iv} [Ibid.](#)

^v [Ibid](#)

^{vi} [Ibid.](#)

^{vii} Area Development Magazine (2021). 35th Annual Corporate Survey: Effects of Global Pandemic Reflected in Executives Site and Facility Plans _ <https://www.areadevelopment.com/corporate-consultants-survey-results/q1-2021/35th-annual-corporate-survey.shtml>